

STATE OF LOUISIANA LEGISLATIVE AUDITOR

*Ferryday Housing Authority
Ferryday, Louisiana*

June 13, 2000



Investigative Audit

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor

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Ferriday Housing Authority

June 15, 2003



Investigative Audit
Office of the Legislative Auditor
State of Louisiana

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor

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June 13, 2001

**MR. CHARLES BELL, EXECUTIVE DIRECTOR,
AND MEMBERS OF THE BOARD OF COMMISSIONERS
FERREDAY HOUSING AUTHORITY**
Ferriiday, Louisiana

Transmitted herewith is our investigative report on the Ferriiday Housing Authority. Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine the propriety of certain allegations received by this office.

This report presents our findings and recommendations, as well as your response. Copies of this report have been delivered to the Ferriiday Housing Authority, the United States Attorney for the Western District of Louisiana, the District Attorney for the Seventh Judicial District of Louisiana, and others as required by law.

Respectfully submitted,

Daniel G. Kyle, CPA, CFE
Legislative Auditor

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Executive Summary

Investigative Audit Report Ferriday Housing Authority

The following summarizes the findings and recommendations as well as management's response that resulted from this investigative audit. Detailed information relating to the findings and recommendations may be found at the page number indicated. Management's response may be found at Attachment I.

The Ferriday Housing Authority (Housing Authority) owns, operates, and maintains rental properties and maintains its office in Ferriday, Louisiana. The Community Housing Development Organization of Concordia (Non-profit), a nonprofit organization created to assist the Housing Authority, operates in the office of the Housing Authority and derives approximately 95% of its revenues from the Housing Authority.

Mr. Charles Bell serves as the Executive Director of both the Housing Authority and the Non-profit. Mr. Bell is responsible for the daily operations of both entities and the proper use of their public funds. The records of the Housing Authority and the Non-profit indicate that Mr. Bell used public funds for personal and other improper purposes. Some of these expenses were paid directly by the Housing Authority. For others, Mr. Bell first moved the public funds from the Housing Authority bank accounts into the account of the Non-profit. These portions of these funds were used improperly.

Findings (See pages 7 through 16 of the report.)

- During the period October 1996 through July 2000, Mr. Bell used \$32,640 of public funds to pay for personal expenses.
- During the period April 1997 through January 2000, Mr. Bell converted \$28,434 of public funds to money orders and cashier's checks and then used these funds for personal expenses.
- Mr. Bell used \$6,427 to purchase a stereo and entertainment system that was not found at either the Housing Authority or the Non-profit.
- During the period June 1999 through October 2000, Mr. Bell and Ms. Kristine Washington, Housing Authority employee, failed to deposit \$4,600 of public funds including \$4,000 of rental income and \$600 received from redeemed tax sale property.
- During the period October 1997 through December 1999, Mr. Bell authorized the payment of \$4,180 to individuals for work that may not have been performed or

should have been performed during regular work hours while employees were on the public payroll.

- Mr. Bell paid two individuals a total of \$6,528 for maintenance work. However, \$3,000 of this amount was deposited into the account of the Non-profit and according to the two individuals, they did not receive this money.
- During the period July 1998 through July 2000, the Non-profit submitted false billings to the Housing Authority amounting to \$42,962.
- During the period July 1998 through July 2000, Mr. Bell paid himself \$34,463 from the Non-profit to which he was not entitled.
- Between January 1, 1997, and July 31, 2000, Mr. Bell donated \$18,607 in public funds to various entities in violation of Article 3, Section 14 of the Louisiana Constitution.

Recommendations (See page 17 of this report)

The Board of Commissioners for the Housing Authority should establish and implement a system of internal control that will ensure that public funds are expended in accordance with law and for a public purpose. The board may consider engaging an independent certified public accountant to design such an internal control structure and provide guidance and training for its implementation. In addition, the Board of Commissioners should:

1. Establish a procedure that provides for critical review of expenditures by the Board of Commissioners before payments are made
2. Establish a procedure that provides for informed oversight by the Board of Commissioners
3. Establish a procedure requiring that fees and rents not be paid with currency

The Board should also consider engaging an independent auditor to perform interim reviews of its adherence to internal controls and financial transactions to ensure that its members are made aware of any discrepancy in a timely manner.

The actions described previously may be violations of the following federal and state laws:

- 18 U.S.C. §441, "Embezzlement"
- 18 U.S.C. §666, "Theft or Bribery Concerning Programs Receiving Federal Funds"
- R.S. 14:63, "Theft"
- R.S. 14:72, "Forgery"

- R.S. 14:136, "Malfeasance in Office"
- R.S. 14:230, "Money Laundering"
- Article 3, Section 14 of the Louisiana Constitution

Though the actions of the parties listed in this report appear to be within the scope of these laws, the actual determination as to whether individuals are subject to formal charge is at the discretion of the District Attorney and the United States Attorney.

We recommend that the United States Attorney for the Western District of Louisiana and the District Attorney for the Seventh Judicial District of Louisiana review this information and take appropriate legal action to include seeking restitution.

Management's Response (See Attachment I)

In his response, Mr. Hall stated that

- At no time did the Housing Authority pay any unauthorized credit card expenses for him.
- The Housing Authority was billed for a heating system by mistake, and that when he discovered the error, he reimbursed the Housing Authority.
- At no time did the Housing Authority pay for siding or flooring for his personal residence.
- His personal residence has never been treated for termites.
- No public funds were used to pay for any personal credit card charges that were not authorized by the Housing Authority.
- The water filtering system that was purchased by the Housing Authority is installed at the Housing Authority's location located in the Housing Authority's maintenance building.
- He never used Housing Authority funds to purchase a personal vehicle and that he has canceled checks and receipts to verify payments.
- He never used Housing Authority funds to pay Riverland Medical Center or Natchez Radiology Associates.
- He never used or allowed public funds to be used to assist friends or family members.
- The Housing Authority adopted a policy that all rent payments were to be made by check or money order, and therefore the Housing Authority received no cash payments for rent.

- All payments paid to contractors was for work actually performed by those contractors.
- While employed by the Housing Authority, he never received a salary from any other employer or organization.
- He authorized payments of utilities for the onsite deputy and that those payments are authorized by HUD regulations.
- The only time the Housing Authority paid utilities for him was when he was required to live onsite as part of his employment.
- Any payments to local schools were used to promote social and economic well-being of the Housing Authority's tenants.
- Any work performed by any Housing Authority employee was performed after normal working hours.
- The Housing Authority purchased an entertainment system that was destroyed by vandalism. The entertainment system was not explained.
- At no time did he ever use public funds to pay personal expenses or to finance a non-profit entity.

Background and Methodology

The *Ferriday Housing Authority* (Housing Authority) owns, operates, and maintains two apartment complexes consisting of sixty-eight apartments and five rental properties and one commercial building. A five member Board of Commissioners, appointed by the Mayor of the Town of Ferriday, and an Executive Director, appointed by the Board, govern the Housing Authority. Mr. Charles Bell was appointed Executive Director on August 14, 1992.

The Community Housing Development Organization of Concordia (Non-profit), a nonprofit organization, was incorporated on November 21, 1992. The Non-profit is located in the offices of the Housing Authority. According to the Articles of Incorporation, the Non-profit was incorporated by Mr. Sam Williams, Jr., and is governed by a Board of Directors consisting of a minimum of three and a maximum of fifteen members. Furthermore, according to the Articles of Incorporation, the Non-profit was established to assist the Housing Authority. Mr. Bell is also the Executive Director of the Non-profit.

The original members of the Board of Directors of the Non-profit were Mr. Sam Williams Jr., Mr. Jesse Collins, Mr. Adam Pipes, Mr. Sammy Davis, Jr., and Ms. Addie Phillips. Each of these individuals gave the Office of the Legislative Auditor written statements indicating that they were unaware that they were Board members of the Non-profit and that they have never attended a Non-profit Board meeting.

The Office of the Legislative Auditor received allegations of possible improprieties at the Ferriday Housing Authority. This investigative audit was performed to determine the propriety of these allegations.

The procedures performed during this investigative audit consisted of (1) interviewing employees and officials of the Housing Authority; (2) interviewing other persons as appropriate; (3) examining selected records of both the Housing Authority and the Non-profit; (4) performing observations and analytical tests; and (5) reviewing applicable state and federal laws and regulations.

The result of our investigative audit is the findings and recommendations herein.

Findings

The Ferriday Housing Authority (Housing Authority) owns, operates, and maintains two apartment complexes consisting of sixty-eight apartments and five rental properties and one commercial building. The Housing Authority maintains its office in Ferriday, Louisiana. The Community Housing Development Organization of Concordia (Non-profit), a nonprofit organization, was incorporated on November 21, 1997. The Non-profit is located in the office of the Housing Authority. According to the Articles of Incorporation, the Non-profit was established to assist the Housing Authority. From the inception of the Non-profit through July 2000, approximately 95% of its revenues were derived from the Housing Authority.



Mr. Charles Bell serves as the Executive Director of both the Housing Authority and the Non-profit. Mr. Bell is responsible for the daily operations of both entities and the proper use of their public funds. The records of the Housing Authority and the Non-profit indicate that Mr. Bell used public funds for personal and other improper purposes. Some of these expenses were paid directly by the Housing Authority. For others, Mr. Bell first moved the public funds from the Housing Authority bank accounts into the account of the Non-profit. Then portions of these funds were used improperly.

Mr. Charles Bell serves as the Executive Director of both the Housing Authority and the Non-profit. Mr. Bell is responsible for the daily operations of both entities and the proper use of their public funds. The records of the Housing Authority and the Non-profit indicate that Mr. Bell used public funds for personal and other improper purposes. Some of these expenses were paid directly by the Housing Authority. For others, Mr. Bell first moved the public funds from the Housing Authority bank accounts into the account of the Non-profit. Then portions of these funds were used improperly.



During our examination, we found that Mr. Bell used public funds improperly as follows:

1. Used public funds to pay personal expenses totaling \$52,843
2. Converted \$28,439 to money orders and cashier's checks that were then used to pay personal expenses
3. Failed to deposit \$4,400 of rent collections
4. Purchased a stereo and entertainment system totaling \$4,427 that was not located at the office of either the Housing Authority or the Non-profit
5. Paid \$4,100 to individuals for work that was either not performed or should have been performed during the normal work day
6. Paid \$6,528 to two individuals who state that they did not endorse the checks nor receive the funds
7. Falsely billed the Housing Authority \$42,952 for work already paid for by the Housing Authority
8. Paid himself \$24,453 to which he was not entitled
9. Donated public assets totaling \$18,007 in violation of the Louisiana Constitution

Public Funds Used to Pay Personal Expenses

During the period October 1995 through July 2000, Mr. Bell used \$52,843 of public funds to pay for personal expenses.

Mr. Bell used public funds to pay personal expenses in two ways. First, he issued 12 checks totaling \$25,458 directly from the Housing Authority's bank account. Second, he issued 12 checks totaling \$27,385 from the account of the Non-profit.

Each of these checks were prepared by Mr. Katrina Washington, a Housing Authority employee, and were signed by Mr. Bell. These funds were used as follows:

1. \$18,560 to pay personal expenses charged to credit cards
2. \$13,861 for work done on his personal residence
3. \$10,892 to purchase, insure, and repair vehicles registered in his name
4. \$843 to pay for personal medical expenses
5. \$10,039 for expenses incurred by family and friends
6. \$1,658 to purchase a motor for a vehicle neither owned by the Housing Authority nor the Non-profit



Credit Card Expenses

Mr. Bell used \$18,960 to pay the bills from seven credit card accounts. Three of the accounts are the American Express accounts of the Housing Authority and the Non-profit. The remaining four are Mr. Bell's personal credit card accounts.

- Mr. Bell charged personal items totaling \$9,000 to the American Express accounts. These charges included jewelry, men's and women's clothing, children's clothing, airline and bus tickets for non-business travel, videos, women's sleepwear, adult online services, sporting goods and equipment, household items, gift items, and health food products. None of these items appear to serve a public purpose.
- Mr. Bell used \$7,867 of public funds to pay his personal credit card bills. None of the charges on his personal credit card appear to serve a public purpose.

Personal Residence

Mr. Bell used \$11,661 of public funds for work done on his personal residence. This included the installation of a heating and air conditioning unit costing \$4,470; \$3,580 for siding; \$1,820 for flooring; \$855 for an alarm system and monitoring services; \$780 for termite treatments; and \$156 for the installation of a water filtering system.

Personal Vehicles

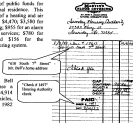
Mr. Bell used \$10,882 of public funds to purchase, insure, and repair personal vehicles. Mr. Bell used \$3,580 to purchase a 1984 Chevrolet truck, \$4,914 to insure his personal vehicles, and \$2,478 to repair his 1982 Cadillac DeVille.

Medical Expenses

Mr. Bell also used an additional \$841 of public funds to pay for personal medical expenses he incurred. These payments included \$666 paid to Riverland Medical Center of Pompano and \$175 paid to Radiology Associates of Naples.

Other Personal Expenses

Mr. Bell used \$9,884 of public funds to assist his friends and family members with expenses incurred by them. Of this amount, \$6,381 was used to help Ms. Gloria Schiele, a tenant of the Housing Authority, purchase a 1997 Jeep Cherokee. Mr. Bell used \$2,565 to purchase carpet and vinyl that was installed in a home owned by Mr. Adam Pipes, the



former President of the Housing Authority, and rented and occupied by Mr. Pamela Smith, an acquaintance of Mr. Bell. Mr. Bell also used \$1,038 to repair a private vehicle that was involved in an accident with one of Mr. Bell's personal vehicles.

Purchase of Motor

Mr. Bell signed a Non-profit check for \$1,680 to purchase a motor for a vehicle that is not owned by either the Housing Authority or the Non-profit. The motor was purchased from Blinier Brothers Auto Parts and is designed for a Dodge vehicle. Neither the Housing Authority nor the Non-profit owns a Dodge vehicle.

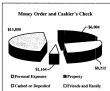
A review of banking records for both the Housing Authority and the Non-profit revealed no reimbursements by Mr. Bell.

Public Funds Converted to Money Orders and Cashier's Checks and Used for Personal Expenses

During the period April 1997 through January 2000, Mr. Bell converted \$28,439 of public funds to money orders and cashier's checks and then used the funds for personal expenses.

Mr. Bell used \$28,438 in public funds to purchase 65 money orders and two cashier's checks. Ten checks totaling \$10,323 were issued from the Housing Authority's bank account and 20 checks totaling \$18,116 were issued from the Non-profit's bank account to purchase money orders and cashier's checks. These funds were then improperly spent as follows:

1. \$13,058 to pay personal expenses
2. \$6,804 to purchase property recorded personally in Mr. Bell's name
3. \$8,212 that was either converted to cash or deposited into Mr. Bell's personal bank account
4. \$1,164 that was given to friends and family



Forward **Reverse**

Mr. Bell used \$15,000 of public funds to purchase 42 money orders that he then used to pay his personal expenses. Of this amount, \$2,554 was used to pay personal credit card expenses; \$4,486 was used to purchase a 1998 Chevrolet Cavalier for personal use; \$2,545 was used to purchase a boat and trailer for personal use; and \$2,562 was used to pay other miscellaneous personal expenses.

[illegible]

Property Purchased by Mr. Bull
Bull

Mr. Bell converted \$6,804 to another's checks to purchase property. Public records indicate that the property, which is two vacant lots in Forsyth, is recorded in Mr. Bell's name and not in either the Housing Authority's name or in the Non-profit's name.

[illegible]

Funds Converted to Cash or Deposited into Mr. Bell's Personal Account

Mr. Bell used \$8,212 to purchase 19 money orders that he then either converted to cash or deposited into his personal bank account. Twelve of these money orders totaling \$5,307 were converted to cash. Mr. Bell accomplished this by having someone else prepare the money order making it payable to him. Mr. Bell used this same method to purchase seven money orders totaling \$2,905 and then deposited the proceeds into his personal bank account.



Funds Given to Friends and Family

The remaining \$1,164 was used to purchase four money orders that Mr. Bell gave to his friends and family members. After a review of these transactions, we determined that none of these gifts served a public purpose.

A review of both the Housing Authority's and Non-profit's banking records did not disclose any reimbursements by Mr. Bell of any portion of the \$28,439 in public funds.

Purchase of Personal Items Not Located at the Housing Authority

Mr. Bell used \$6,427 to purchase a stereo and entertainment system. Mr. Bell used \$755 to purchase a stereo and \$3,632 to purchase an entertainment system. This stereo and entertainment system was not found at either the Housing Authority or the Non-profit.

Public Funds Not Deposited

During the period June 1999 through October 2000, Mr. Bell and Ms. Katina Washington, Housing Authority employee, failed to deposit \$4,400 of public funds including \$4,000 of rental income and \$400 received from estimated tax sale property.

During the period June 1999 through October 2000, the Housing Authority earned \$4,000 of rent revenue that was not deposited into its account. The Housing Authority rented part of its commercial building to two tenants during this period. According to the two tenants, contracts were signed; however, we were not able to locate contracts in the files of the Housing Authority.

Both tenants stated that they rented the space and used it as a commercial beauty salon and were required to pay monthly rent of \$250.

According to Ms. Pinky Henderson, she rented the building from June 1999 through May 2000. She stated that during this 12-month period she gave \$3,000 in cash directly to Mr. Bell. Ms. Sherry Dawson stated that she rented this same space from June 2000 through mid-October 2000. According to Ms. Dawson, she gave her monthly rentals amounting to \$1,000 in cash or money orders directly to Ms. Katrina Washington. A review of banking deposit records indicates that some of the rent receipts were deposited into either the accounts of the Housing Authority or the Non-profit.

Mr. Bell, acting in his official capacity as the Executive Director of the Non-profit, purchased four pieces of property at the Town of Furriddy tax sale for \$400. Each of these pieces of property was subsequently redeemed by the owners. To redeem the property the owners had to pay the Non-profit the tax sale amount plus interest. Once received, this money should have been deposited into the account of the Non-profit. Ms. Corrina Johnson, Tax Clerk for the Town of Furriddy (Town), stated that she witnessed three of the property owners giving Mr. Bell the money required to redeem the property. The Town received funds from the owner for the fourth piece of property. Therefore, a check drawn on the Town's account was used to pay the Non-profit the redemption amount on the fourth piece of property. Neither the money given to Mr. Bell by the property owners nor the town check was deposited into the accounts of the Non-profit or the Housing Authority.

Payments Made for Work That May Not Have Been Performed

During the period October 1997 through December 1999, Mr. Bell authorized the payment of \$4,100 to individuals for work that may not have been performed or should have been performed during regular work hours while employees were on the public payroll.

Mr. Weldon Green

Mr. Bell paid Mr. Weldon Green, a Housing Authority employee, \$2,600. According to the invoices that were approved by Mr. Bell, this work included cutting and hauling a downed tree, removing dead limbs, and repairing a fence. Mr. Green's supervisor, Mr. James Humphrey, stated that Mr. Green did not perform this work. During an interview, Mr. Green originally stated that he does not work on weekends.

Example of Weldon Green purchase order

Example of Weldon Green purchase order

NAME: Weldon Green
 ADDRESS: [blank]
 CITY: [blank]
 STATE: [blank]
 ZIP: [blank]
 PHONE: [blank]
 FAX: [blank]
 E-MAIL: [blank]
 DATE: 10/1/99
 TIME: [blank]
 BY: [blank]
 FOR: [blank]
 AMOUNT: \$2,600.00
 REMARKS: For the removal of a downed tree and the repair of a fence
 CHECK NO.: 1001

"DATE is pay" signed by Charles Bell

Housing Authority Check #1001

However, when we asked Mr. Green about the \$2,600 he received, he then stated that all of the work represented by the \$2,600 in payments was done on weekends.

Mr. Earl Day

Mr. Bell paid Mr. Earl Day, a resident of the Housing Authority, \$1,500. According to the invoices approved by Mr. Bell, this work included painting of Housing Authority apartments. According to Mr. Humphrey, the Housing Authority supervisor responsible for maintenance, Mr. Day did not perform this work.

Payments Made to Individuals but Money Diverted to the Non-profit

Mr. Bell paid two individuals a total of \$6,328 for maintenance work. However, \$3,000 of this amount was deposited into the account of the Non-profit and according to the two individuals, they did not receive this money.

Mr. Earl Day

Mr. Bell paid Mr. Day three checks totaling \$4,328. One of the checks, which was for \$2,500, was deposited into the Non-profit's bank account. The other two checks were endorsed "Earl Day" and cashed. Mr. Day stated that the endorsements on the checks were neither and that he did not receive any of this \$4,328.

Mr. Joe Cooner

Mr. Bell signed one check for \$2,500 payable to Mr. Joe Cooner, a local contractor. The Housing Authority records include an invoice purporting to represent maintenance work performed by Mr. Cooner. Mr. Cooner stated that he neither prepared nor signed the invoice requesting the payment. Mr. Cooner also stated that the endorsement, Joe Cooner, on the back of the check was not his signature. This check was stamped with the Non-profit's deposit stamp and deposited into the Non-profit's account.

Housing Authority Funds Improperly Diverted to the Non-profit Through False Billings

During the period July 1998 through July 2000, the Non-profit submitted false billings to the Housing Authority amounting to \$42,962.

As stated previously, the Non-profit was created to assist the Housing Authority and approximately 55% of the Non-profit's revenue was derived from the Housing Authority. This assistance included the Non-profit hiring contractors to perform maintenance work on Housing Authority properties and billing the Housing Authority for this work. It should be noted that this work could have been contracted directly by the Housing Authority--there was no need for the Non-profit's involvement.

During the period July 1998 through July 2000, the Non-Profit billed the Housing Authority \$112,114 for its assistance. Of the \$112,114, the Non-profit billed at least \$42,962 to the Housing Authority for the work that may not have been performed by the Non-profit. According to the Housing Authority's Maintenance Supervisor, Mr. James Humphrey, the work represented by invoices supporting payments of \$42,962 was performed by Housing Authority employees while on the Housing Authority's payroll or contract laborers hired by the Housing Authority and paid with Housing Authority funds.

Some of the items billed by the Non-profit to the Housing Authority included painting and renovating apartments and offices, replacing tile flooring, and landscaping. The following are two examples of these bills:

Inmate number 1 dated January 14, 2006, issued by the Non-profit to the Housing Authority states that painting and replacement of tile was done in apartment number 141 amounting to \$1,500. Mr. Humphrey stated that he and Mr. Weidner Green, a Housing Authority employee, performed this work.

Invoice number 2008 dated June 8, 1998, issued by the Non-profit bills the Housing Authority \$4,700 for landscaping. According to Mr. Humphrey, he and Mr. Green performed this work while on the Housing Authority payroll.

The remaining 569,154, of the total \$112,116, represents billings from the Non-profit to the Housing Authority for which supporting documentation could not be located.

Mr. Bell Paid Himself Unauthorized Compensation

During the period July 1998 through July 2000, Mr. Bell paid himself \$24,452 from the Non-profit to which he was not entitled. To support these payments, Mr. Bell provided a board resolution dated December 3, 1997, authorizing Mr. Bell to be compensated a monthly expense not to exceed \$1,500 per month. Mr. Sam Williams and Mr. Addie Phillips, former board members for the Housing Authority, stated that they signed the resolution in either July or August 2000. Furthermore, they stated that Mr. Bell brought them the resolution and informed them that it was a document that they had forgotten to sign as members of the Board of Commissioners for the Housing Authority. Also, according to Mr. Williams and Mr. Phillips, Mr. Bell informed them that the resolution was something that the auditors wanted to see.

STANDARD AIRMAIL CERTIFICATION
FOR EXTERIOR MAILING

NO.

STANDARD AIRMAIL CERTIFICATION

POSTAGE GUARANTEED

THIS is hereby certified to be a First-Class or Second-Class Mailing as provided by law, or the equivalent thereof of the postage required for the mailing of this matter under the provisions of the law.

THIS is hereby certified to be a matter of public interest and of the nature of the matter as provided by law, or the equivalent thereof of the postage required for the mailing of this matter under the provisions of the law.

DATE AND ADDRESS: *June 1964*

NOTE: A monthly expense not to exceed \$1,000 per month

[Signature]
Name

[Signature]
Name

Even if a duly appointed Board had approved the resolution, which it did not, Mr. Bell would only have been entitled to receive a maximum of \$37,280 during the 12-month period. Mr. Bell actually received \$54,463 as compensation during this period from the Non-profit. The difference between what he actually received and what was supposedly authorized by the Non-profit board resolution is \$16,963.

Public Funds Improperly Donated

Between January 1, 1997 and July 31, 2000, Mr. Bell donated \$18,087 in public funds to various entities. Mr. Bell used \$8,098 to pay cable, electricity, gas and water bills for certain tenants and employees including himself. In addition, Mr. Bell donated \$9,822 from the Housing Authority and \$875 from the Non-profit. Mr. Bell donated these funds by paying expenses and providing cash, trophies, and athletic equipment to non-for-profit corporations and local schools and by paying the medical expenses of certain Housing Authority employees. These expenses included \$3,680 that Mr. Bell paid from the Housing Authority to Ms. Elsie Hunter for filing the Non-profit's corporate and IRS non-profit status documents.

By donating public assets, Mr. Bell may have violated Article 3, Section 14 of the Louisiana Constitution.

Recommendations

We recommend that the Board of Commissioners for the Florida Housing Authority establish and implement a system of internal control that will ensure that public funds are expended in accordance with law and for a public purpose. The board may consider engaging an independent certified public accountant to design such an internal control structure and provide guidance and training for its implementation. In addition, the Board of Commissioners should:

1. Establish a procedure that provides for critical review of expenditures by the Board of Commissioners before payments are made;
2. Establish a procedure that provides for informed oversight by the Board of Commissioners;
3. Establish a procedure requiring that fees and costs not be paid with currency.

The Board should also consider engaging an independent auditor to perform interim reviews of its adherence to internal controls and financial transactions to ensure that its members are made aware of any discrepancy in a timely manner.

The actions described previously may be violations of the following federal and state laws:

- 18 U.S.C. §641, "Embezzlement"
- 18 U.S.C. §666, "Theft or Bribery Concerning Programs Receiving Federal Funds"
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Though the actions of the parties listed in this report appear to be within the scope of the laws listed above, the actual determination as to whether individuals are subject to formal charge is at the discretion of the District Attorney and the United States Attorney.

We recommend that the United States Attorney for the Western District of Louisiana and the District Attorney for the Seventh Judicial District of Louisiana review this information and take appropriate legal action to include seeking restitution.

Attachment I

Management's Response

In addition to his response to our finding, Mr. Bell submitted various exhibits. Because of the volume and nature of the exhibits provided by Mr. Bell, we were unable to include them in our report. However, copies of these documents are available for inspection at the Baton Rouge office of the Legislative Auditor.

**CHARLES BELL, EXECUTIVE DIRECTOR
FERRIDAY HOUSING AUTHORITY
2700 HWY. 15
FERRIDAY, LA 71334**

NARRATIVE

Due to the time allotted I am submitting an incomplete response to the Legislative Auditor's Preliminary Investigative Report. Because this report covers a period from 1996 to 2000, I am unable to recover necessary documentation both from Housing Authority records and my personal records in the time allotted by the Legislative Auditor. Given more time, I believe I will be able to submit a more detailed response to the Auditor's findings.

EXECUTIVE DIRECTOR'S RESPONSE TO LEGISLATIVE AUDITOR'S INVESTIGATIVE REPORT

I. BACKGROUND & METHODOLOGY

In your report you stated that the non-profit was established to assist the Housing Authority. The non-profit was not established to assist the Housing Authority. Article III of the Articles of Incorporation stated the purpose of the non-profit.

You also stated that each Board member stated that they were unaware that they were board members. There are signed and notarized statements signed by the Board members on file at State and Federal agencies and other institutions.

RESPONSE TO FINDINGS

PUBLIC FUNDS USED TO PAY PERSONAL EXPENSES

In your findings you state that the non-profit used public funds to pay personal expenses and to finance a non-profit entity.

The non-profit never received any grant funds or funds to administer a program for the Housing Authority. Any funds received by the non-profit from the Housing Authority were for services to the Housing Authority by individuals employed by the non-profit or contracted through the non-profit. At no time was Housing Authority funds used to finance any entity.

At no time did the Housing Authority pay any unauthorized credit card expenses for the Director. All expenses paid to personal credit cards were received by the Board and the Housing Authority's fee accountant.

The Housing Authority was billed for a heating system by the MOD Consultant by mistake. When the mistake was detected by the fee accountant, I had to reimburse the Housing Authority. Documentation is contained in the files that are in the possession of the Legislative Auditors.

At no time did the Housing Authority pay for siding or flooring for my personal residence. All checks paid to siding contractors, flooring contractors, and other contractors had to be requested on HUD form 1001 (Partial Payment) and approved by the MOD Consultant before checks could be issued. No such checks were issued by the PHA for work done at my personal residence. The documentation is available for review at the Housing Authority too numerous to enclose in this report.

I had the permission of the Housing Authority's Board of Commissioners to install an alarm system at my home. I am in the process of reviewing the minutes books for such documentation.

My personal residence has never been treated for termites.

No public funds were used to pay for any personal credit card charges that were not authorized by the Housing Authority.

The water filter system that was purchased by the Housing Authority, is installed at the Housing Authority on the Housing Authority's ice maker located in the Housing Authority's maintenance building.

I never used Housing Authority funds to purchase a personal vehicle. See attached documentation. All of my personal vehicles are insured by Illinois National Insurance Company. I canceled checks and receipts to verify payments. They are too numerous to add to this report.

I has never used Housing Authority funds to pay Riverland Medical Center or Natchez Radiology Associates. I have never used or have never allowed public funds to be used to assist friends or family members knowingly or willingly.

The Ferriday Housing Authority maintained hospitalization and supplementary insurance for its employees. There is no reason for the Housing Authority to pay personal medical expenses for me. Housing Authority insurance policies are available for review at the Housing Authority.

The Housing Authority purchased flooring a former tenant who was relocated due to an emergency that could not be corrected or abated by the Housing Authority in the allotted time. This is an allotted expense for the Housing Authority through its modernization funds for relocation of tenants during construction. See documentation. Additional documentation is available at the Housing Authority.

PUBLIC FUNDS NOT DEPOSITED

The Housing Authority adopted a policy in 1992 that all payments for rent to the Housing Authority would be made by check or money order. A review of the Housing Authority's deposits since that time will verify that we received no cash payments for rent.

FERRIDAY HOUSING AUTHORITY FALSELY BILLED

All payments paid to contractors to include the non-profit, was for work performed by these contractors and on February 9, 2000, all work performed by contractors to

include the non-profit was reviewed by the U.S. Corps of Engineers. All work was done and satisfactory. See attached documentation.

EXECUTIVE DIRECTOR PAID HIMSELF UNAUTHORIZED SALARY

While employed by the Ferriday Housing Authority, I have never received a salary from no other employer or organization.

DONATION OF PUBLIC ASSETS

I authorized payments of electric, gas and water bills for the onsite deputy. These payments are authorized by HUD regulations. I do not have ample time to retrieve the appropriate regulations that authorized these payments to be made to onsite police officers. The only time the Housing Authority paid utilities for me was when I was required to live onsite as part of my employment. When I moved into my personal residence, the Housing Authority no longer paid my utilities.

The Annual Contributions Contract signed between the Housing Authority and the U.S. Department of Housing and Urban Development states that it is the mission of the Housing Authority to provide safe, decent and sanitary housing and promote the economic and social well being of its tenants. Any funds paid to local schools was used to promote social and economic well being of the Housing Authority's tenants. See documentation.

PUBLIC FUNDS MISAPPROPRIATED

At no time has any Housing Authority employee been paid for work that was performed while on Housing Authority's payroll. Any work performed by any Housing Authority employee was either performed after normal working hours or on weekends or holidays.

The Housing Authority purchased an entertainment system that was destroyed by vandalism. The entertainment system was not replaced. See attached documentation.

PUBLIC FUNDS USED TO PURCHASE MONEY ORDERS AND CASHIER'S CHECKS TO PAY PERSONAL EXPENSES

At no time have I used public funds to pay personal expenses or to finance a non-profit entity. Due to the broadness of this finding, and the time allotted to respond, I am not able to give a qualified response with documentation. It would take more than that allotted to retrieve all of the documentation necessary to support my response to this finding.

CHARLES BELL, EXECUTIVE DIRECTOR
FERREDAY HOUSING AUTHORITY
27080 HWY. 18
FERREDAY, LA 71334

SUMMARY

The Ferreday Housing Authority is a public housing agency whose mission is to provide safe, decent and affordable housing and the delivery of social educational and other supportive service; and to operate programs to develop self sufficiency, and to provide economic and employment opportunities, and other benefits for low and moderate income families. At no time as the Executive Director of the Ferreday Housing Authority, have I used Housing Authority funds to do anything other than promote the above statement.

At no time has the Ferreday Housing Authority loaned, granted, or otherwise passed public funds to a non-profit. Any funds paid to the non-profit by the Ferreday Housing Authority, were vendor payments for services rendered.

The non-profit was not organized as a part of, nor to assist the Ferreday Housing Authority in any way. The Articles of Incorporation for the non-profit will state its purpose for incorporation.

I regret that I was not given adequate time to make a more detailed and documented response to the auditor's findings.

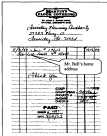
Additional Information

Mobile Phones Used in Pay Personal Expenses

Mr. Bell stated in his response that "no one told the Housing Authority pay for siding and flooring for my personal residence." The following are the incidents from the vendors from whom Mr. Bell purchased the siding and the flooring. We have also included the checks that were drawn on the Housing Authority's account to pay for these items.



Increasing the size of the sample can help build a confidence

[illegible]

Floating *Leptocarpus* floats used to pay for the sliding scale. *Leptocarpus* floats used to pay for the sliding scale.

The difference (\$690) between the total of checks 3146 and 3189 (\$4,270) and the invoice amount (\$3,580) is for work actually performed for the Housing Authority.



Housing Authority check used to pay for the clearing in
the Hall's residence.

Attachment II

Additional Information

STATE OF FLORIDA
FLORIDA HOUSING AUTHORITY
1000 N. GULF BLVD.
TALLAHASSEE, FL 32301

DATE: 01/15/2010
TIME: 10:00 AM

ACCOUNT NUMBER: 10000000000000000000
CHECK NUMBER: 1584

AMOUNT: \$1,600.00

DATE: 01/15/2010

TO: Mr. Bull's home address

AMOUNT CHARGED: \$1,600.00

STATE OF FLORIDA
FLORIDA HOUSING AUTHORITY
1000 N. GULF BLVD.
TALLAHASSEE, FL 32301

DATE: 01/15/2010
TIME: 10:00 AM

ACCOUNT NUMBER: 10000000000000000000
CHECK NUMBER: 1584

AMOUNT: \$1,600.00

DATE: 01/15/2010

TO: Mr. Bull's home address

AMOUNT CHARGED: \$1,600.00

Continued for income treatment on Mr. Bull's residence

STATE OF FLORIDA
FLORIDA HOUSING AUTHORITY
1000 N. GULF BLVD.
TALLAHASSEE, FL 32301

DATE: 01/15/2010
TIME: 10:00 AM

ACCOUNT NUMBER: 10000000000000000000
CHECK NUMBER: 1584

AMOUNT: \$1,600.00

DATE: 01/15/2010

TO: Mr. Bull's home address

AMOUNT CHARGED: \$1,600.00

STATE OF FLORIDA
FLORIDA HOUSING AUTHORITY
1000 N. GULF BLVD.
TALLAHASSEE, FL 32301

DATE: 01/15/2010
TIME: 10:00 AM

ACCOUNT NUMBER: 10000000000000000000
CHECK NUMBER: 1584

AMOUNT: \$1,600.00

DATE: 01/15/2010

TO: Mr. Bull's home address

AMOUNT CHARGED: \$1,600.00

Transaction history report

The difference (\$400) in the check amount (\$1,600.00) and the invoice amount (\$1,600.00) represents other work that was actually performed for the Housing Authority.

STATE OF FLORIDA
FLORIDA HOUSING AUTHORITY
1000 N. GULF BLVD.
TALLAHASSEE, FL 32301

DATE: 01/15/2010
TIME: 10:00 AM

ACCOUNT NUMBER: 10000000000000000000
CHECK NUMBER: 1584

AMOUNT: \$1,600.00

DATE: 01/15/2010

TO: Mr. Bull's home address

AMOUNT CHARGED: \$1,600.00

STATE OF FLORIDA
FLORIDA HOUSING AUTHORITY
1000 N. GULF BLVD.
TALLAHASSEE, FL 32301

DATE: 01/15/2010
TIME: 10:00 AM

ACCOUNT NUMBER: 10000000000000000000
CHECK NUMBER: 1584

AMOUNT: \$1,600.00

DATE: 01/15/2010

TO: Mr. Bull's home address

AMOUNT CHARGED: \$1,600.00

Housing Authority check #1584

Check signed by Mr. Bull

Mr. Bell stated in his response that "the water filter system that was purchased by the Housing Authority, is installed at the Housing Authority on the Housing Authority's for water located in the Housing Authority's maintenance building." The documents on this page indicate that the water filtering system in question was installed under a sink at Mr. Bell's residence and paid for with Housing Authority check number 1990.

J. H. GORDON SHIRTS - SLACKS - SUITERS - SUITCASE 111 N. 10th Street MINNEAPOLIS, MINN. 55401		129171
INVOICE <i>Friday, June 11, 1964</i> TO: <i>Dr. Blakelock</i> ORDER NO. <i>415-1880</i>		
QUANTITY <i>72</i> PRICE <i>5.18 - 1880</i>	ORDER NO. <i>610 S. 7th St.</i> DATE <i>6/10/64</i>	
Mr. Dr. Blakelock's home address		
<i>Smallville Filling Station</i> <i>+ Softdrink + Kitten under</i> <i>2000</i>		<i>PAID</i> <i>12.11 -</i>
Housing Authority March 1964		<i>PAID</i> <i>14.6 -</i> <i>14.62</i> <i>29.22</i>
<i>Family Housing Authority</i> <i>Quincy, Ill.</i>		
<i>Wm. Ray J. H. Gordon, Director</i>		

Received for the winter 1997/98 season, modelled in the Fall's model year

FEDERAL BUREAU OF INVESTIGATION

UNITED STATES DEPARTMENT OF JUSTICE

WASHINGTON, D.C.

MAY 1964

MEMORANDUM FOR THE DIRECTOR

SUBJECT: [Illegible]

[The remainder of the document contains several pages of extremely faint, illegible text.]

[illegible]

1. **Introduction**
 2. **Methodology**
 3. **Results**
 4. **Discussion**
 5. **Conclusion**

[illegible]

Receiving News of Your Loved One's Death

Bank account

Date	Description	Amount	Balance
1/1/20	Opening deposit	\$10,000.00	\$10,000.00
1/15/20	Deposit	\$5,000.00	\$15,000.00
2/1/20	Withdrawal	\$2,000.00	\$13,000.00
2/15/20	Deposit	\$3,000.00	\$16,000.00
3/1/20	Withdrawal	\$1,000.00	\$15,000.00
3/15/20	Deposit	\$4,000.00	\$19,000.00
4/1/20	Withdrawal	\$2,500.00	\$16,500.00
4/15/20	Deposit	\$3,500.00	\$20,000.00
5/1/20	Withdrawal	\$1,500.00	\$18,500.00
5/15/20	Deposit	\$2,500.00	\$21,000.00
6/1/20	Withdrawal	\$3,000.00	\$18,000.00
6/15/20	Deposit	\$4,000.00	\$22,000.00
7/1/20	Withdrawal	\$2,000.00	\$20,000.00
7/15/20	Deposit	\$3,000.00	\$23,000.00
8/1/20	Withdrawal	\$1,000.00	\$22,000.00
8/15/20	Deposit	\$2,000.00	\$24,000.00
9/1/20	Withdrawal	\$3,000.00	\$21,000.00
9/15/20	Deposit	\$4,000.00	\$25,000.00
10/1/20	Withdrawal	\$2,500.00	\$22,500.00
10/15/20	Deposit	\$3,500.00	\$26,000.00
11/1/20	Withdrawal	\$1,500.00	\$24,500.00
11/15/20	Deposit	\$2,500.00	\$27,000.00
12/1/20	Withdrawal	\$3,000.00	\$24,000.00
12/15/20	Deposit	\$4,000.00	\$28,000.00
1/1/21	Withdrawal	\$2,000.00	\$26,000.00
1/15/21	Deposit	\$3,000.00	\$29,000.00
2/1/21	Withdrawal	\$1,000.00	\$28,000.00
2/15/21	Deposit	\$2,000.00	\$30,000.00
3/1/21	Withdrawal	\$3,000.00	\$27,000.00
3/15/21	Deposit	\$4,000.00	\$31,000.00
4/1/21	Withdrawal	\$2,500.00	\$28,500.00
4/15/21	Deposit	\$3,500.00	\$32,000.00
5/1/21	Withdrawal	\$1,500.00	\$30,500.00
5/15/21	Deposit	\$2,500.00	\$33,000.00
6/1/21	Withdrawal	\$3,000.00	\$30,000.00
6/15/21	Deposit	\$4,000.00	\$34,000.00
7/1/21	Withdrawal	\$2,000.00	\$32,000.00
7/15/21	Deposit	\$3,000.00	\$35,000.00
8/1/21	Withdrawal	\$1,000.00	\$34,000.00
8/15/21	Deposit	\$2,000.00	\$36,000.00
9/1/21	Withdrawal	\$3,000.00	\$33,000.00
9/15/21	Deposit	\$4,000.00	\$37,000.00
10/1/21	Withdrawal	\$2,500.00	\$34,500.00
10/15/21	Deposit	\$3,500.00	\$38,000.00
11/1/21	Withdrawal	\$1,500.00	\$36,500.00
11/15/21	Deposit	\$2,500.00	\$39,000.00
12/1/21	Withdrawal	\$3,000.00	\$36,000.00
12/15/21	Deposit	\$4,000.00	\$40,000.00
1/1/22	Withdrawal	\$2,000.00	\$38,000.00
1/15/22	Deposit	\$3,000.00	\$41,000.00
2/1/22	Withdrawal	\$1,000.00	\$40,000.00
2/15/22	Deposit	\$2,000.00	\$42,000.00
3/1/22	Withdrawal	\$3,000.00	\$39,000.00
3/15/22	Deposit	\$4,000.00	\$43,000.00
4/1/22	Withdrawal	\$2,500.00	\$40,500.00
4/15/22	Deposit	\$3,500.00	\$44,000.00
5/1/22	Withdrawal	\$1,500.00	\$42,500.00
5/15/22	Deposit	\$2,500.00	\$45,000.00
6/1/22	Withdrawal	\$3,000.00	\$42,000.00
6/15/22	Deposit	\$4,000.00	\$46,000.00
7/1/22	Withdrawal	\$2,000.00	\$44,000.00
7/15/22	Deposit	\$3,000.00	\$47,000.00
8/1/22	Withdrawal	\$1,000.00	\$46,000.00
8/15/22	Deposit	\$2,000.00	\$48,000.00
9/1/22	Withdrawal	\$3,000.00	\$45,000.00
9/15/22	Deposit	\$4,000.00	\$49,000.00
10/1/22	Withdrawal	\$2,500.00	\$46,500.00
10/15/22	Deposit	\$3,500.00	\$50,000.00
11/1/22	Withdrawal	\$1,500.00	\$48,500.00
11/15/22	Deposit	\$2,500.00	\$51,000.00
12/1/22	Withdrawal	\$	

Keywords: human factors; usability; user interface; user experience; usability engineering

A black and white photograph of a US Treasury check. The check is from the United States Department of the Treasury, dated 08/19/76, for the amount of \$100.00. It is payable to Mrs. J. Edgar Hoover. A large "PAID" stamp is prominently displayed in the center of the document.



In his response, Mr. Bell stated that he "has never used Housing Authority funds to pay Riverland Medical Center or Natchez Radiology Associates." The documents on this page indicate that Mr. Bell has in fact used Housing Authority funds to pay Riverland Medical Center and Natchez Radiology Associates. Furthermore, Mr. Bell's response states that there is no reason for the Housing Authority to pay his personal medical expenses. The Legislative Auditor agrees with that statement.

The image shows a document with a prominent 'PAID' stamp in the center. The stamp is rectangular and contains the word 'PAID' in large, bold letters. Below it, there is some smaller, less legible text. To the right of the stamp, there is a handwritten signature that appears to be 'John J. ...'. The document has a header section at the top with some text that is partially obscured. The overall appearance is that of a scanned document from a file.

Abstract

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041 2042 2043 2044 2045 2046 2047 2048 2049 2050 2051 2052 2053 2054 2055 2056 2057 2058 2059 2060 2061 2062 2063 2064 2065 2066 2067 2068 2069 2070 2071 2072 2073 2074 2075 2076 2077 2078 2079 2080 2081 2082 2083 2084 2085 2086 2087 2088 2089 2090 2091 2092 2093 2094 2095 2096 2097 2098 2099 2100 2101 2102 2103 2104 2105 2106 2107 2108 2109 2110 2111 2112 2113 2114 2115 2116 2117 2118 2119 2120 2121 2122 2123 2124 2125 2126 2127 2128 2129 2130 2131 2132 2133 2134 2135 2136 2137 2138 2139 2140 2141 2142 2143 2144 2145 2146 2147 2148 2149 2150 2151 2152 2153 2154 2155 2156 2157 2158 2159 2160 2161 2162 2163 2164 2165 2166 2167 2168 2169 2170 2171 2172 2173 2174 2175 2176 2177 2178 2179 2180 2181 2182 2183 2184 2185 2186 2187 2188 2189 2190 2191 2192 2193 2194 2195 2196 2197 2198 2199 2200 2201 2202 2203 2204 2205 2206 2207 2208 2209 2210 2211 2212 2213 2214 2215 2216 2217 2218 2219 2220 2221 2222 2223 2224 2225 2226 2227 2228 2229 2230 2231 2232 2233 2234 2235 2236 2237 2238 2239 2240 2241 2242 2243 2244 2245 2246 2247 2248 2249 2250 2251 2252 2253 2254 2255 2256 2257 2258 2259 2260 2261 2262 2263 2264 2265 2266 2267 2268 2269 2270 2271 2272 2273 2274 2275 2276 2277 2278 2279 2280 2281 2282 2283 2284 2285 2286 2287 2288 2289 2290 2291 2292 2293 2294 2295 2296 2297 2298 2299 2300 2301 2302 2303 2304 2305 2306 2307 2308 2309 2310 2311 2312 2313 2314 2315 2316 2317 2318 2319 2320 2321 2322 2323 2324 2325 2326 2327 2328 2329 2330 2331 2332 2333 2334 2335 2336 2337 2338 2339 2340 2341 2342 2343 2344 2345 2346 2347 2348 2349 2350 2351 2352 2353 2354 2355 2356 2357 2358 2359 2360 2361 2362 2363 2364 2365 2366 2367 2368 2369 2370 2371 2372 2373 2374 2375 2376 2377 2378 2379 2380 2381 2382 2383 2384 2385 2386 2387 2388 2389 2390 2391 2392 2393 2394 2395 2396 2397 2398 2399 2400 2401 2402 2403 2404 2405 2406 2407 2408 2409 2410 2411 2412 2413 2414 2415 2416 2417 2418 2419 2420 2421 2422 2423 2424 2425 2426 2427 2428 2429 2430 2431 2432 2433 2434 2435 2436 2437 2438 2439 2440 2441 2442 2443 2444 2445 2446 2447 2448 2449 2450 2451 2452 2453 2454 2455 2456 2457 2458 2459 2460 2461 2462 2463 2464 2465 2466 2467 2468 2469 2470 2471 2472 2473 2474 2475 2476 2477 2478 2479 2480 2481 2482 2483 2484 2485 2486 2487 2488 2489 2490 2491 2492 2493 2494 2495 2496 2497 2498 2499 2500 2501 2502 2503 2504 2505 2506 2507 2508 2509 2510 2511 2512 2513 2514 2515 2516 2517 2518 2519 2520 2521 2522 2523 2524 2525 2526 2527 2528 2529 2530 2531 2532 2533 2534 2535 2536 2537 2538 2539 2540 2541 2542 2543 2544 2545 2546 2547 2548 2549 2550 2551 2552 2553 2554 2555 2556 2557 2558 2559 2560 2561 2562 2563 2564 2565 2566 2567 2568 2569 2570 2571 2572 2573 2574 2575 2576 2577 2578 2579 2580 2581 2582 2583 2584 2585 2586 2587 2588 2589 2590 2591 2592 2593 2594 2595 2596 2597 2598 2599 2600 2601 2602 2603 2604 2605 2606 2607 2608 2609 2610 2611 2612 2613 2614 2615 2616 2617 2618 2619 2620 2621 2622 2623 2624 2625 2626 2627 2628 2629 2630 2631 2632 2633 2634 2635 2636 2637 2638 2639 2640 2641 2642 2643 2644 2645 2646 2647 2648 2649 2650 2651 2652 2653 2654 2655 2656 2657 2658 2659 2660 2661 2662 2663 2664 2665 2666 2667 2668 2669 2670 2671 2672 2673 2674 2675 2676 2677 2678 2679 2680 2681 2682 2683 2684 2685 2686 2687 2688 2689 2690 2691 2692 2693 2694 2695 2696 2697 2698 2699 2700 2701 2702 2703 2704 2705 2706 2707 2708 2709 2710 2711 2712 2713 2714 2715 2716 2717 2718 2719 2720 2721 2722 2723 2724 2725 2726 2727 2728 2729 2730 2731 2732 2733 2734 2735 2736 2737 2738 2739 2740 2741 2742 2743 2744 2745 2746 2747 2748 2749 2750 2751 2752 2753 2754 2755 2756 2757 2758 2759 2760 2761 2762 2763 2764 2765 2766 2767 2768 2769 2770 2771 2772 2773 2774 2775 2776 2777 2778 2779 2780 2781 2782 2783 2784 2785 2786 2787 2788 2789 2790 2791 2792 2793 2794 2795 2796 2797 2798 2799 2800 2801 2802 2803 2804 2805 2806 2807 2808 2809 2810 2811 2812 2813 2814 2815 2816 2817 2

Mr. Bill Paid Himself Unauthorized Compensation

In his response, Mr. Duff stated that he has "never received a salary from no other employer or organization" while employed by the Florida Housing Authority. Following are examples of checks that Mr. Duff received from the Non-profit as compensation.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION OF CONCORDIA		1009
FOLIO 000 000 000000 PARQUE LA VIE		
DATE: 5/20/98		
TO: Charles Bill		\$ 900.00
Five Hundred Fifty		
Legitimacy of General Bank		
FOLIO 000 000 000000 PARQUE LA VIE		
DATE: 5/20/98		
FOR: 5/20/98		
FOLIO 000 000 000000 PARQUE LA VIE		
DATE: 5/20/98		
FOLIO 000 000 000000 PARQUE LA VIE		

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION OF CONCORDIA		1109
FOLIO 000 000 000000 PARQUE LA VIE		
DATE: 5/18/98		
TO: Charles Bill		\$ 900.00
Five Hundred Fifty and 00/100		
Legitimacy of General Bank		
FOLIO 000 000 000000 PARQUE LA VIE		
DATE: 5/18/98		
FOR: 5/18/98		
FOLIO 000 000 000000 PARQUE LA VIE		
DATE: 5/18/98		
FOLIO 000 000 000000 PARQUE LA VIE		

In his response, Mr. Bell stated that "no public funds were used to pay for any personal credit card charges that were not authorized by the Housing Authority." During the exit conference, Mr. Bell made this same statement in the presence of Mr. Sammy Davis, Jr., acting Board Chairman. When asked if he had authorized Mr. Bell to expend public funds for personal purposes, Mr. Davis stated that he had never given such authorization and that he was not aware that the Board ever gave Mr. Bell such authorization.

Public Funds Converted to Money Orders and Cashier's Checks and Used for Personal Expenses

Mr. Bell also stated in his response that he "never used Housing Authority funds to purchase a personal vehicle." The following two money orders were purchased with Housing Authority check number 87168 and then were presented to GMAC and Hibernia National Bank. The payment to GMAC was for a 1998 Chevrolet Cavalier that Mr. Bell owns and the payment to Hibernia National Bank was for a boat that Mr. Bell owns.



Housing Authority check 87168 used to purchase money orders



Money orders purchased with Housing Authority check 87168

Public Funds Governmental

Mr. Hall explains in his response that the entertainment system mentioned in our report was destroyed by vandals and that it was not replaced. Mr. Hall also provided this office with a copy of an insurance claim form indicating a projection television was involved in the vandalism. The insurance claim form, however, makes no mention of the other components of the entertainment system that as our report states could not be located on Housing Authority property. Also, we were unable to find a deposit equaling the amount the insurance company paid to replace the television.

Inventory - 1988				
Inventory Item	Quantity	Unit Cost	Value	Comments
Inventory Item 1	100	1.00	100.00	
Inventory Item 2	200	2.00	400.00	
Inventory Item 3	300	3.00	900.00	
Inventory Item 4	400	4.00	1600.00	
Inventory Item 5	500	5.00	2500.00	
Inventory Item 6	600	6.00	3600.00	
Inventory Item 7	700	7.00	4900.00	
Inventory Item 8	800	8.00	6400.00	
Inventory Item 9	900	9.00	8100.00	
Inventory Item 10	1000	10.00	10000.00	
Inventory Item 11	1100	11.00	12100.00	
Inventory Item 12	1200	12.00	14400.00	
Inventory Item 13	1300	13.00	16900.00	
Inventory Item 14	1400	14.00	19600.00	
Inventory Item 15	1500	15.00	22500.00	
Inventory Item 16	1600	16.00	25600.00	
Inventory Item 17	1700	17.00	28900.00	
Inventory Item 18	1800	18.00	32400.00	
Inventory Item 19	1900	19.00	36100.00	
Inventory Item 20	2000	20.00	40000.00	
Inventory Item 21	2100	21.00	44100.00	
Inventory Item 22	2200	22.00	48400.00	
Inventory Item 23	2300	23.00	52900.00	
Inventory Item 24	2400	24.00	57600.00	
Inventory Item 25	2500	25.00	62500.00	
Inventory Item 26	2600	26.00	67600.00	
Inventory Item 27	2700	27.00	72900.00	
Inventory Item 28	2800	28.00	78400.00	
Inventory Item 29	2900	29.00	84100.00	
Inventory Item 30	3000	30.00	90000.00	
Inventory Item 31	3100	31.00	96100.00	
Inventory Item 32	3200	32.00	102400.00	
Inventory Item 33	3300	33.00	108900.00	
Inventory Item 34	3400	34.00	115600.00	
Inventory Item 35	3500	35.00	122500.00	
Inventory Item 36	3600	36.00	129600.00	
Inventory Item 37	3700	37.00	136900.00	
Inventory Item 38	3800	38.00	144400.00	
Inventory Item 39	3900	39.00	152100.00	
Inventory Item 40	4000	40.00	160000.00	
Inventory Item 41	4100	41.00	168100.00	
Inventory Item 42	4200	42.00	176400.00	
Inventory Item 43	4300	43.00	184900.00	
Inventory Item 44	4400	44.00	193600.00	
Inventory Item 45	4500	45.00	202500.00	
Inventory Item 46	4600	46.00	211600.00	
Inventory Item 47	4700	47.00	220900.00	
Inventory Item 48	4800	48.00	230400.00	
Inventory Item 49	4900	49.00	240100.00	
Inventory Item 50	5000	50.00	250000.00	
Inventory Item 51	5100	51.00	260100.00	
Inventory Item 52	5200	52.00	270400.00	
Inventory Item 53	5300	53.00	280900.00	
Inventory Item 54	5400	54.00	291600.00	
Inventory Item 55	5500	55.00	302500.00	
Inventory Item 56	5600	56.00	313600.00	
Inventory Item 57	5700	57.00	324900.00	
Inventory Item 58	5800	58.00	336400.00	
Inventory Item 59	5900	59.00	348100.00	
Inventory Item 60	6000	60.00	360000.00	
Inventory Item 61	6100	61.00	372100.00	
Inventory Item 62	6200	62.00	384400.00	
Inventory Item 63	6300	63.00	396900.00	
Inventory Item 64	6400	64.00	409600.00	
Inventory Item 65	6500	65.00	422500.00	
Inventory Item 66	6600	66.00	435600.00	
Inventory Item 67	6700	67.00	448900.00	
Inventory Item 68	6800	68.00	462400.00	
Inventory Item 69	6900	69.00	476100.00	
Inventory Item 70				

[illegible]

PROPERTY ADDRESS OWNER	Parcel No. Subdivision/Plat/Map/Block Parcel Use Code Assessment Year (Date), (L) P. in Use Code Section, T4S R2E S10E	Parcel No. Date of Sale Policy Number Claimant Agent's Name Address	Date Amount Deduction Deduction Deduction Deduction Deduction
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INVENTORY TOTALS

Account	2017	2016	2015
Inventory, Net	\$1,700.00	\$200.00	\$200.00
Accounts Payable	\$200.00	\$0.00	\$0.00
Accounts Receivable	\$2,000.00	\$200.00	\$200.00

Attachment III

Exhibits

Exhibits



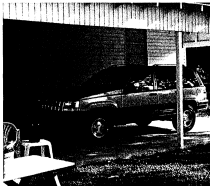
Outside air conditioning unit located at Mr. Bell's personal residence.



Inside air conditioning unit located in the attic of Mr. Bell's personal residence.



Mr. Bell's personal residence



The vehicle that Mr. Bell used public funds to help Ms. Schiele purchase.

Attachment IV

Legal Provisions

Legal Provisions

The following legal citations are referred to in the Findings and Recommendations sections of this report:

Federal Citations

18 U.S.C. §641 provides, in part, that whoever embezzles, steals, purloins, or knowingly converts to his use or the use of another, or without authority, sells, conveys or disposes of any record, voucher, money, or thing of value of the United States or of any department or agency thereof, or any property made or being made under contract for the United States or any department or agency thereof shall be fined under this title or imprisoned not more than five years, or both.

18 U.S.C. §666 provides, in part, that theft concerning programs receiving federal funds occurs when an agent of an organization, state, local, or Indian tribal government or any agency thereof embezzles, steals, obtains by fraud, or otherwise intentionally misapplies property that is valued at \$5,000 or more and is owned by or under control of such organization, state, or agency when the organization, state, or agency receives in any one year period, benefits in excess of \$10,000 under a federal program involving a grant contract, or other form of federal assistance.

State Citations

N.S. 14:67 provides, in part, that theft is the misappropriation or taking of anything of value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations.

N.S. 14:73 provides, in part, that forgery is the false making or altering, with intent to defraud, of any signature to, or any part of, any writing purporting to have legal efficacy.

N.S. 14:134 provides, in part, that malfeasance in office is committed when any public officer or public employee shall (1) intentionally refuse or fail to perform any duty lawfully required of him, as such officer or employee; (2) intentionally perform any such duty in an unlawful manner; or (3) knowingly permit any other public officer or public employee, under his authority, to intentionally refuse or fail to perform any duty lawfully required of him or to perform any such duty in an unlawful manner.

N.S. 14:259 provides, in part, that money laundering is the supervision or facilitation of a financial transaction involving proceeds known to be derived from criminal activity, when the transaction is designed in whole or in part to conceal or disguise the nature, location, source, ownership, or the control of proceeds known to be derived from such violation or to avoid a transaction reporting requirement under state or federal law. It is

also the receiving or acquisition of proceeds derived from any violation of criminal activity, or knowingly or intentionally engaging in any transaction that the person knows involves proceeds from any such violation.

Article 5, Section 14 of the Louisiana Constitution provides, in part, that except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.